

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 98-473

September 1, 1998

MACHIAS WATER COMPANY
Proposed Rate Change

ORDER

WELCH, Chairman; NUGENT, Commissioner

SUMMARY OF ORDER

We approve the Machias Water Company's revised rate sheets filed on August 26, 1998. These rates result in a \$39,892 or 24.6% increase over 1997 actual revenues of \$162,482. This increase will produce annual operating revenues of \$202,374.

BACKGROUND

On June 19, 1998, the Machias Water Company filed with the Commission its request to increase water rates on July 22, 1998. The request was to increase rates by \$47,547 or 29.26% over 1997 actual revenues. The Company mailed the required notice to each of its customers. The primary cause of this increase is the debt service and depreciation related to the construction of a standpipe that is necessary for the Company to comply with the requirements of the Safe Drinking Water Act. The standpipe will be financed with a loan from the State Revolving Loan Fund.

On July 23, 1998 the Commission Advisory Staff issued Bench Data Request No. 1. The Company responded on August 10, 1998. After further review of the Company's filing and response to the Data Request, the Bench identified areas of concern with the rate filing. The Company addressed the Bench's concerns by filing revisions to its exhibits and proposed rate sheets on August 26, 1998. The revised annual operating revenue is \$202,374, resulting in a \$39,892 (24.6%) increase over 1997 actual revenues.

DECISION

We have reviewed the Company's original filing, its responses to data requests and the revised filing. We find that the rates proposed by Machias Water Company in its revised filing reasonably provide the revenue necessary for the Company to

secure State Revolving Loan Fund financing for the required standpipe, and will approve the revised filing.

Accordingly, we

O R D E R

1. That the Machias Water Company Schedule of Rates, consisting of Sheets 1 and 2 - all Third Revision, Second Draft, filed on August 26, 1998, and Sheet 3, Third Revision, Second Draft, filed on August 28, 1998 are approved to become effective for service rendered on and after October 1, 1998;

2. That the Machias Water Company Schedule of Rates, consisting of Sheets 1 through 3 - all Third Revision, filed on June 19, 1998, shall not become effective.

Dated at Augusta, Maine this 1st day of September, 1998.

BY ORDER OF THE COMMISSION

Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR: WELCH
NUGENT

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of adjudicatory proceedings are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 6(N) of the Commission's Rules of Practice and Procedure (65-407 C.M.R.11) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which consideration is sought.

2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 30 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320 (1)-(4) and the Maine Rules of Civil Procedure, Rule 73 et seq.

3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320 (5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.